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BEFORE THE ARIZONA CORPORATION C

Arizona Corporation Commission

COMMISSIONERS

Gary Pierce, Chairman

Sandra D. Kennedy

Paul Newman

Bob Stump

Brenda Burns

DOCKETED

JUL 30 2012

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IN THE MATTER OF THE APPLICATION OF
TUCSON ELECTRIC POWER COMPANY FOR
A CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING THE
CONSTRUCTION OF A 500KV
TRANSMISSION LINE AND ASSOCIATED
FACILITIES FROM THE PLANNED PINAL
CENTRAL SUBSTATION IN SECTION 18,
TOWNSHIP 6 SOUTH, RANGE 8 EAST TO
THE EXISTING TORTOLITA SUBSTATION
IN SECTION 23, TOWNSHIP 10 SOUTH,
RANGE 10 EAST, IN PINAL COUNTY
ARIZONA.

CASE NO. 165**Docket No. L-00000C-12-0139-00165****DECISION NO. 73282**

Open Meeting
July 18, 2012
Phoenix, Arizona

BY THE COMMISSION:

Pursuant to A.R.S. § 40-360, *et seq.*, after due consideration of all relevant matters, the Arizona Corporation Commission ("Commission") finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") is hereby approved as granted by this Order.

The Commission, in reaching its decision, has balanced all relevant matters in the broad public interest, including the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state, and finds that granting the Project a CEC is in the public interest.

The Commission further finds and concludes that in balancing the broad public interest in this matter:

- 1 1. The Project is in the public interest because it aids the state in meeting the need for an
- 2 adequate, economical, and reliable supply of electric power.
- 3 2. In balancing the need for the Project with its effect on the environment and ecology of
- 4 the state, the conditions placed on the CEC effectively minimize its impact on the
- 5 environment and ecology of the state.
- 6 3. The conditions placed on the CEC resolve matters concerning the need for the Project
- 7 and its impact on the environment and ecology of the state raised during the course of
- 8 proceedings, and as such, serve as the findings on the matters raised.
- 9 4. In light of these conditions, the balancing in the broad public interest results in favor
- 10 of granting the CEC.

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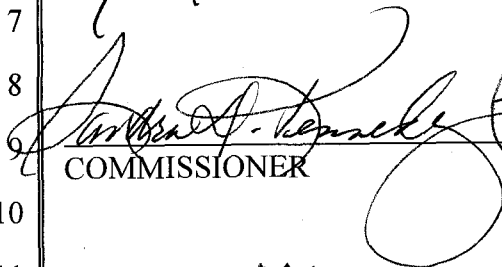
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THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS APPROVED BY ORDER OF THE
ARIZONA CORPORATION COMMISSION

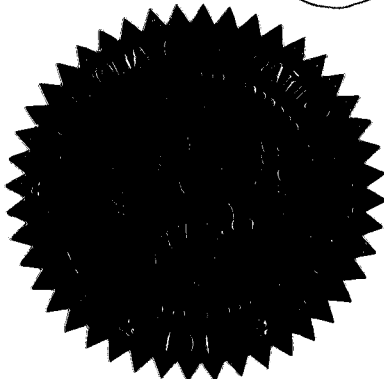

CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER



IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of Phoenix,
this 30th day of July 2012.


ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

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**BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE**

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IN THE MATTER OF THE APPLICATION OF
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IN SECTION 23, TOWNSHIP 10 SOUTH,
RANGE 10 EAST, IN PINAL COUNTY
ARIZONA.

Docket No. L-00000C-12-0139-00165

Case No. 165

CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY

Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission
Line Siting Committee (the "Committee") held public hearings on May 16 and 17, 2012, in Casa
Grande, Pinal County, Arizona, all in conformance with the requirements of Arizona Revised
Statutes ("A.R.S.") § 40-360, *et seq.*, for the purpose of receiving evidence and deliberating on the
Application of Tucson Electric Power Company ("TEP") (the "Applicant") for a Certificate of
Environmental Compatibility ("CEC") for the Pinal Central to Tortolita 500 kV Transmission
Line Project (the "Project").

The following members and designees of members of the Committee were present at one
or more of the hearings for the evidentiary presentations and/or for the deliberations:

John Foreman

Chairman, Designee for Arizona Attorney General
Tom Horne

Trevor Baggione

Designee for Director, Arizona Department of
Environmental Quality

Jack Haenichen

Designee for Director, Arizona Governor's Office of
Energy Policy

Michael J. Lacey

Designee for Director, Arizona Department of Water
Resources

1	David L. Eberhart, P.E.	Designee for Chairman, Arizona Corporation Commission
2	Jeff McGuire	Appointed Member, representing Agriculture Interests
3	Patricia Noland	Appointed Member, representing General Public
4	Michael Palmer	Appointed Member, representing General Public
5	David Richins	Appointed Member, representing Incorporated Cities and Towns
6		
7	F. Ann Rodriguez	Appointed Member, representing Counties
8	Paul Walker	Appointed Member, representing General Public

9 The Applicant was represented by: J. Matthew Derstine and Jason D. Gellman of Roshka,
 10 DeWulf & Patten, PLC, and Marcus G. Jerden of UniSource Energy Corporation for TEP. The
 11 following parties were granted intervention pursuant to A.R.S. § 40-360.05: Pinal County
 12 represented by Lawrence V. Robertson, Jr. of Counsel, Munger Chadwick, PLC; and Walton
 13 International Group (USA) Inc. represented by Court S. Rich of Rose Law Group pc.

14 At the conclusion of the hearings – after considering the Application, the evidence and
 15 exhibits presented, the legal requirements of A.R.S. §§ 40-360 to 40-360.13, and upon motion
 16 duly made and seconded – the Committee voted 11 to 0 to grant the Applicant, its successors and
 17 assigns, this CEC for the construction of the Project (Case No. 165).

18 The Project as approved consists of a new single-circuit 500 kV transmission line from the
 19 planned Pinal Central Substation (which was approved in Decision No. 68093 (August 25, 2005))
 20 in Section 18, Township 6 South, Range 8 East to the existing Tortolita Substation in Section 23,
 21 Township 10 South, Range 10 East, in Pinal County, Arizona. The transmission structures will be
 22 single-circuit monopole structures, with typical heights of 135 to 165 feet; with taller structures at
 23 major road and/or line crossings not to exceed 199 feet.

24 The route for the Project will be what was labeled the Preferred Route. The Preferred
 25 Route (Route 1) is approximately 40.3 miles long. Beginning at the planned Pinal Central
 26 Substation, the Preferred Route proceeds east approximately 4.5 miles, crossing over the Union
 27

1 Pacific Railroad ("UPRR") tracks, existing land used for agricultural purposes, and a dry wash. It
2 then turns northeast and parallels an agricultural service road for approximately 1 mile.

3 From this point, the route proceeds approximately 7.8 miles east crossing an existing canal,
4 the Central Arizona Project ("CAP") canal, and undeveloped state land until it reaches the All
5 American Crude Oil Pipeline. The Preferred Route then turns southeast and parallels the pipeline
6 for approximately 5 miles, before turning south to follow section lines for approximately 17 miles,
7 including approximately 11.75 miles along the boundary between Arizona State Trust land and
8 land managed by the U.S. Department of Interior, Bureau of Land Management ("BLM"), until
9 entering Section 36, Township 9 South, Range 10 East.

10 From this point, the Preferred Route then turns to the southwest for approximately 2.5
11 miles and crosses over the CAP canal, before intersecting with a transmission line corridor already
12 containing a 500kV and an 115kV transmission line. The Preferred Route continues southwest
13 parallel to the 500 kV and 115 kV lines in this corridor for approximately 0.9 mile. The route then
14 turns south for approximately 0.7 mile and parallels the Saguaro Power Plant property. It then
15 turns to the southeast for approximately 0.9 mile, passing north of the Saguaro Solar Trough
16 facility and terminating at the Tortolita Substation.

17 The Project will have a 500-foot corridor for the entire route. For the 11.75-mile portion
18 that follows section lines between Arizona State Land Department (ASLD) and the U.S.
19 Department of the Interior, Bureau of Land Management (BLM)-managed land, the 500-foot
20 corridor will be located entirely on ASLD land immediately west of the Range boundary line
21 between Range 10 East and Range 11 East.

22 A location map of the Project is attached as Exhibit A.

23 CONDITIONS

24 This Certificate is granted upon the following conditions:

- 25 1. Any transfer or assignment of this Certificate shall require the assignee or
26 successor to assume all responsibilities of the Applicant listed in this Certificate
27 and its conditions in writing as required by A.R.S. § 40-360.08(A) and R14-3-

1 213(F) of the Arizona Administrative Code.

- 2 2. The Applicant shall comply with all existing applicable statutes, ordinances,
3 master plans and regulations of any governmental entity having jurisdiction during
4 the construction and operation of the Project – including the United States, the
5 State of Arizona or Pinal County.
- 6 3. If any archaeological site, paleontological site, historical site or an object that is at
7 least 50 years old is discovered on state, county or municipal land during the
8 construction or operation of the Project, the Applicant or its representative in
9 charge shall promptly report the discovery to the Director of the Arizona State
10 Museum (“Director”), and in consultation with the Director, shall immediately take
11 all reasonable steps to secure and maintain the preservation of the discovery,
12 pursuant to A.R.S. § 41-844.
- 13 4. If human remains and/or funerary objects are encountered on private land during
14 the course of any ground-disturbing activities relating to the construction or
15 operation of the Project, the Applicant shall cease work on the affected area of the
16 Project and notify the Director, pursuant to A.R.S. § 41-865.
- 17 5. The Applicant shall comply with the notice and salvage requirements of the
18 Arizona Native Plant Law (A.R.S. §§ 3-901 et seq.) and shall, to the extent
19 feasible, minimize the destruction of native plants during the construction and
20 operation of the Project.
- 21 6. This authorization to construct this Project shall expire unless the transmission
22 line is capable of operation within five (5) years from the date the Certificate is
23 approved by the Arizona Corporation Commission (“Commission”). However,
24 prior to expiration, the Applicant may request that the Commission extend this
25 time limitation.
- 26 7. In the event that the Project requires an extension of the term of this Certificate
27 prior to completion of construction, Applicant shall use reasonable means to notify

1 all landowners, neighborhood associations registered with Pinal County and within
2 the Project study area as set forth in the Application, and residents within one mile
3 of the Project corridor, all persons who made public comment at this proceeding
4 who provided a mailing address, and all parties to this proceeding of the request
5 and the date, time and place of the hearing in which the Commission will consider
6 the request for extension.

7 8. The Applicant shall make every reasonable effort to identify and correct, on a case-
8 specific basis, all complaints of interference with radio or television signals from
9 operation of the transmission lines and related facilities addressed in this
10 Certificate. The Applicant shall maintain written records for a period of five years
11 of all complaints of radio or television interference attributable to operation,
12 together with the corrective action taken in response to each complaint. All
13 complaints shall be recorded to include notations on the corrective action taken.
14 Complaints not leading to a specific action or for which there was no resolution
15 shall be noted and explained. Upon request, the written records shall be provided
16 to the Staff of the Commission.

17 9. Within 120 days of the Commission decision granting this Certificate, Applicant
18 will post signs in or near public rights-of-way giving notice of the Project corridor
19 to the extent authorized by law. The Applicant shall place such signs in prominent
20 locations at reasonable intervals so that the public is notified along the full length of
21 the Project until the transmission structures are constructed. To the extent
22 practicable, within 45 days of securing easement or right-of-way for the Project, the
23 Applicant shall erect and maintain signs providing public notice that the property is
24 the site of a future transmission line. Such signage shall be no smaller than a
25 normal roadway sign. The signs shall advise:

- 26 (a) That the site has been approved for the construction of Project facilities;
27 (b) The expected date of completion of the Project facilities;

- (c) A phone number for public information regarding the Project;
- (d) The name of the Project;
- (e) The name of the Applicant; and
- (f) The website of the Project.

10. Applicant or its assignees, shall design the transmission lines to incorporate reasonable measures to minimize impacts to raptors.
11. Applicant shall use non-specular conductor and dulled surfaces for the Project's transmission line structures.
12. Before construction on this Project may commence, the Applicant shall file a construction mitigation and restoration plan ("Plan") with ACC Docket Control and interveners. Where practicable, the Plan shall specify the Applicant's plans for construction access and methods to minimize impacts to wildlife and to minimize vegetation disturbance outside of the Project right-of-way particularly in drainage channels and along stream banks, and shall re-vegetate, unless waived by the landowner, native areas of construction disturbance to its preconstruction state outside of the power-line right-of-way after construction has been completed. The Plan shall specify the Applicant's plans for coordination with the Arizona Game and Fish Department ("AGFD") and the State Historic Preservation Office ("SHPO"). The Applicant shall use existing roads for construction and access where practicable and the Plan shall specify the manner in which the Applicant makes use of existing roads.
13. Applicant shall follow any published guidelines adopted by AGFD or the United States Fish and Wildlife Service ("USFW") for handling contacts during the construction and operation of the Project with any species designated as endangered. Applicant also shall follow any published and adopted guidelines for handling contacts with any species of greatest conservation need as designated by AGFD. If no published and adopted guidelines exist, the Applicant shall use

reasonable care to avoid any harm to individuals of the designated species. If the avoidance of harm to individuals is not possible, the Applicant shall contact AGFD or USFW to obtain any appropriate permits and guidance for removing the individual members of the species contacted from the area of the Project.

14. With respect to the Project, Applicant shall participate in good faith in state and regional transmission study forums to coordinate transmission expansion plans related to the Project and to resolve transmission constraints in a timely manner.
15. The Applicant shall provide copies of this Certificate to the City of Eloy, Pinal County, Central Arizona Water Conservation District, the Arizona State Land Department, SHPO, AGFD and U.S. Bureau of Reclamation (BOR).
16. Before construction commences on this Project, the Applicant shall provide known homebuilders, neighborhood associations registered with Pinal County within the study area as set forth in the Application, and developers of record who are building upon or developing land within one mile of the center line of the Certificated route of the transmission line, a written description of the Project. The written description shall identify the location of the Project and contain a pictorial description of the type of transmission line being constructed. The Applicant also shall encourage the developers and homebuilders to include this information in the developers' and homebuilders' homeowners' disclosure statements.
17. Applicant will follow the latest Western Electricity Coordinating Council/North American Electric Reliability Corporation Planning standards as approved by the Federal Energy Regulatory Commission, and National Electrical Safety Code construction standards.
18. The Applicant shall submit a self-certification letter annually, identifying progress made with respect to each condition contained in the Certificate, including which conditions have been met. Each letter shall be submitted to the Docket Control of the Commission and interveners on July 1 beginning in 2013. Attached to each

1 certification letter shall be documentation explaining how compliance with each
2 condition was achieved. Copies of each letter along with the corresponding
3 documentation shall be submitted to the Arizona Attorney General, and the Arizona
4 Governor's Office of Energy Policy. The requirement for self-certification shall
5 expire on the date the Project is placed into operation.

6 19. Within one hundred twenty (120) days of the Commission decision granting
7 this Certificate, the Applicant shall make good faith efforts to commence
8 discussions with private landowners, on whose property the Project corridor is
9 located, to identify the specific location for the Project's right-of-way and
10 placement of poles.

11 20. The Applicant will pursue reasonable efforts to work with private landowners
12 on whose property the Project right-of-way will be located, to mitigate the
13 impacts of the location, construction, and operation of the Project on private
14 land.

15 21. Before commencing construction of Project facilities located parallel to and within
16 100 feet of any existing natural gas or hazardous liquid pipeline, the Applicant
17 shall:

18 (a) Perform the appropriate grounding and cathodic protection studies to show
19 that the Project's location parallel to and within 100 feet of such pipeline
20 results in no material adverse impacts to the pipeline or to public safety
21 when both the pipeline and the Project are in operation. If material adverse
22 impacts are noted in the studies, Applicant shall take appropriate steps to
23 ensure that such material adverse impacts are mitigated. Applicant shall
24 provide to Commission Staff and Docket Control reports of studies
25 performed; and

26 (b) Perform a technical study simulating an outage of the Project that may be
27 caused by the collocation of the Project parallel to and within 100 feet of the

1 existing natural gas or hazardous liquid pipeline. This study should either: i)
2 show that such outage does not result in customer outages; or ii) include
3 operating plans to minimize any resulting customer outages. Applicant shall
4 provide a copy of this study to Commission Staff and Docket Control.

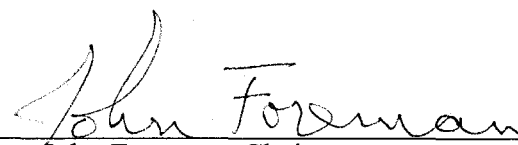
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6 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

7 This Certificate incorporates the following findings of fact and conclusions of law:

- 8 1. The Project aids the state in meeting the need for an adequate, economical and
9 reliable supply of electric power.
- 10 2. The conditions placed on the Project in the CEC by the Committee effectively
11 minimize the impact of the Project on the environment and ecology of the state.
- 12 3. The Project is in the public interest because the Project's contribution to meeting
13 the need for the adequate, economical and reliable supply of electric power
14 outweighs the minimized impact of the Project on the environment and ecology of
15 the state.

16 DATED this 21st day of May, 2012.

17 **THE ARIZONA POWER PLANT AND**
18 **TRANSMISSION LINE SITING COMMITTEE**

19
20 
21 Hon. John Foreman, Chairman

EXHIBIT

“A”

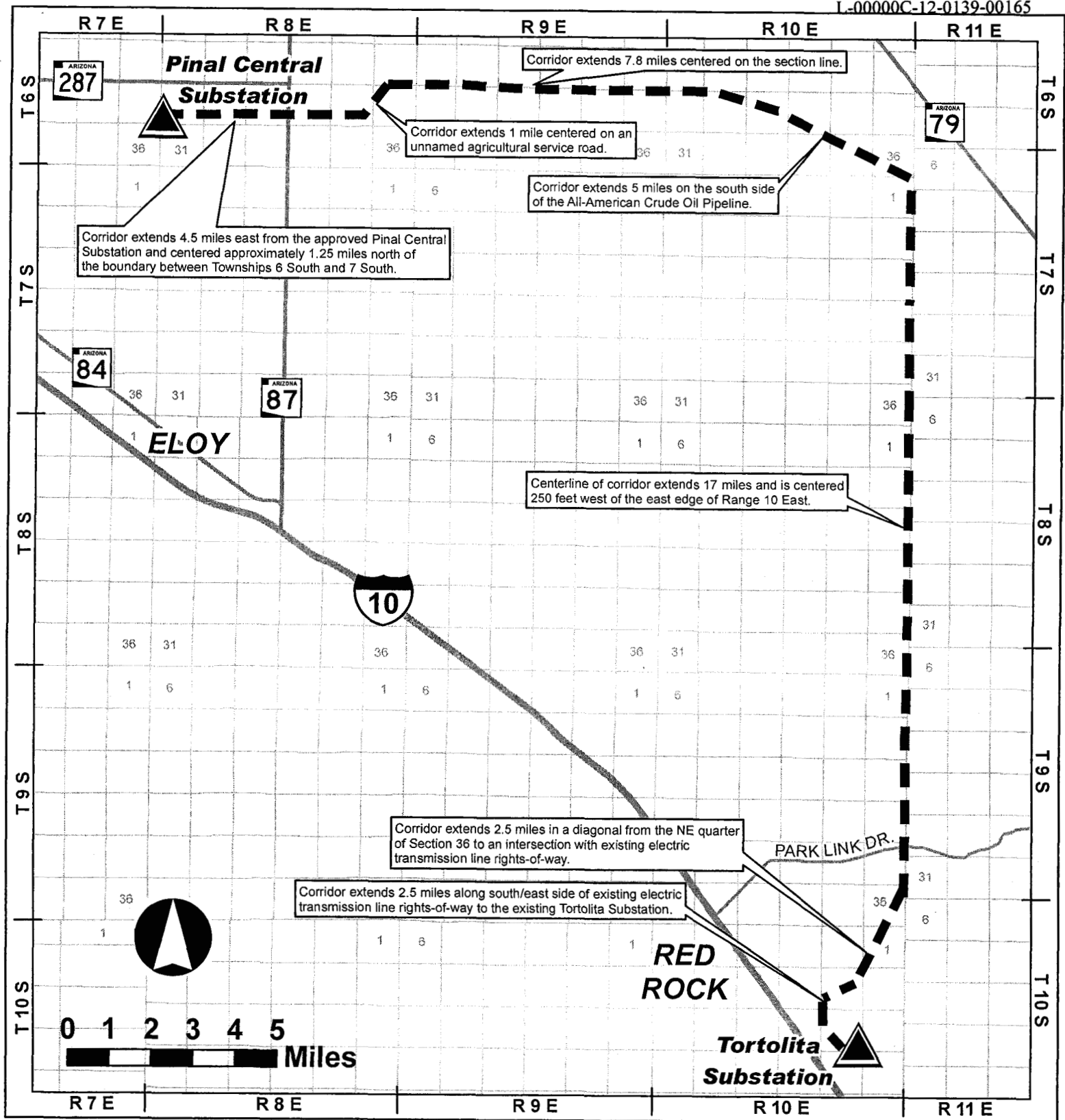


EXHIBIT A: Approved Alignment

**Pinal Central Substation
to Tortolita Substation 500kV
Transmission Line Project**

May 2012

Legend

-  Approved 500' Corridor
-  Switchyard/Substation
-  Interstate
-  State Highway/County Road



A UniSource Energy Company

Decision No. **73282**